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4 JUN
1984

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: Robert M. Gates
Deputy Director for Intelligence

SUBJECT: Cuban Activities in South America

1. In response to your recent note expressing interest in what the Cubans are doing in Bolivia and the region, I have had ALA analysts pull together the attached summary of Cuban activities throughout South America.

2. ALA currently has in draft a detailed IA on Cuba's Evolving Relations with Latin America. John Helgerson has discussed this subject with [] and we believe this longer piece will assemble much of the information he is interested in. 25X1

3. Attached for your information also are an informal memo on Bolivia done by DDO/LA/Bolivia that we believe [] alluded to in talking with you and the State Department's draft policy review paper. 25X1

[] 25X1

Robert M. Gates

Attachments:

- A. Blind Memo, Cuban Activities in South America
- B. DDO Memo on Bolivia
- C. State Department's Draft Policy Review Paper

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SUBJECT: Cuban Activities in South America

DDI/ALA/SAD [] (1 June 1984)

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Tab A

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MEMORANDUM

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Cuba's dual strategy for advancing its interests abroad is clearly reflected in its activities in South America. In Argentina, Havana has responded to changing conditions and opportunities by alternating between concerted support for leftist guerrillas and political approaches, such as the current effort aimed at strengthening diplomatic relations. In other countries--Bolivia, Colombia, Ecuador--Castro feels he can pursue elements of both tracks more or less simultaneously. Because Cuba harbors special antagonism toward the Pinochet government, Havana consistently over the years has supported Chilean revolutionary groups and not sought diplomatic ties. In countries where Castro has seen no opportunities since insurgencies were crushed in the 1960s and early 1970s--for example, Brazil and Venezuela--he has generally pursued a diplomatic strategy, while not completely abandoning contact with radical left groups.

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In June 1983 Cuban Vice President Carlos Rafael Rodriguez acknowledged publicly what other Cuban leaders, including Fidel Castro, had admitted in the past--that one of Havana's basic aims is to foster socialist revolution throughout Latin America. In formulating policies to attain this goal, Cuba divides countries of interest into two broad categories: 1) "operational targets" where either conditions are ripe for revolutionary activity or regimes have earned Castro's particular antagonism (here Cuba encourages revolutionary groups to cooperate and foment violence by offering training, arms, funds, technical support, and advice) and 2) "political targets" where regimes are less vulnerable and revolutionary potential is low (here Havana seeks to improve diplomatic and economic ties to overcome its isolation, further Castro's Third World leadership aspirations, and compete with the US for hemispheric backing). These strategies are visible in varying degrees--and in some countries are pursued simultaneously--in Cuba's dealings with South America.

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COUNTERING BOLIVIAN RADICALISM

The purpose of this paper is to determine what steps the United States might take to counter communist/radical forces in Bolivia, who could rise to power should the political economic situation continue deteriorating or by manipulating the 1986 elections.

U.S. Interests. In the current situation, we wish to protect long term prospects for democracy, prevent the rise of a radical government and obtain effective action against narcotics producers.

Background. Bolivia is a powder keg, there being great fear that the April 12 economic stabilization measures may provoke uncontrollable social unrest, with violence leading to a military coup. This coup would probably be rightist given the very small percentage of leftist military officers. The left, however, thrives on polarization, believing that repressive military rule would soon provoke a popular uprising and violent lurch to the left. The left, and it ranges from relatively tame communists to bomb-throwing Trotskyites, plays ball with Siles because it has enjoyed influence within the government and considerable freedom within the country. The radical wing of the government would probably like to manipulate the 1986 elections in their favor. A moment of truth arrived with the April 12 economic measures, which suggest Siles is at long last paying greater attention to technocratic influences. U.S. policy options in Bolivia are affected powerfully by Bolivian action or inaction, as is now the case, on narcotics. Exporting 50 percent of the U.S. supply of cocaine, Bolivia could very soon be disqualified from all forms of American assistance due to restrictive Congressional amendments.

The Anti-American Radical Spectrum

1. The Palace Radicals. Close to President Siles, these are a group of Marxists who appear to want some form of Castrista/Sandinista popular democracy. It is this group that has sought to establish a militia of its own, having tried at one point to obtain French arms in return for the 1983 expulsion of Nazi War criminal Barbie. The group has close ties to Cuba, the Argentine Montoneros, the French left (probably Regis Debray) and has been in touch with radical Arabs. Its most prominent figure is Presidential

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adviser/confidant Felix Rospigliosi. It includes Interior Sub-Secretary Sanchez and bomb-throwing crazies such as Janet Rospigliosi (Felix' niece), Clavijo and Araujo. The group protected the "Luribay 7," who were caught red-handed (in November 1983) with arms and explosives. Earlier (June 1983) the Congress/press exposed that some 100 of Rospigliosi's cohorts were trained in Cuba. Public exposure (aided by U.S. Embassy leaks to friendly Bolivian Congressmen) and strong Embassy representations have helped to keep the Rospigliosi crowd in check. Nevertheless, this group is dedicated to power, has the ear and protection of President Siles, and will try to develop a clandestine military potential while seeing if it can manipulate the 1986 election in its favor.

2. Leftist Military. Believed to number no more than 5 percent of the officer corps, the leftist military per se are not a coup force at present. The danger lies in the growth of their influence within the military as well as in an eventual alliance with leftist civilian paramilitaries, such as those Rospigliosi has in mind. The two key leftist officers are Army Commander Sejas and La Paz Armored Regiment Commander Osinaga. Both are Siles/Rospigliosi allies.

3. Communist Party (PCB). Communists hold two key portfolios in the Siles government: labor and mining. These portfolios have been used to legitimize the PCB, favor communist members within the powerful labor movement and exclude private interests from most of the key mining sector. It appears the PCB is unhappy with the economic stabilization measures but under Soviet Embassy orders to stay within the government. (See further discussion of COB and USSR.)

4. Bolivian Workers Central (COB). Latin America's most powerful union, it is under the strong hand of Juan Lechin, a 71 year old Marxist rabble-rouser. The COB itself is a hodge-podge of leftists, including communists, Marxists nationalists, Trotskyites and anarcho-syndicalists, likely to splinter upon ~~Siles'~~ death. While a Marxist, Lechin hates the Soviets possibly as much as he opposes the IMF and private enterprise. He has no use for the Siles government but has been hesitant to destroy democracy (as he can) because of the loss in union freedoms that would flow from a coup. Lechin has been rejected consistently by the Bolivian electorate (he received one percent of the 1980 Presidential vote), and can aspire only to throw the weight of the COB behind a Siles-type government (Lechin wants a majority of Cabinet posts) or a leftist golpista.

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5. Trotskyites/Anarcho Syndicalists. The Fourth International could only be alive and well in Bolivia. Trotskyites are active in the student and labor movements, often providing intellectual but not terrorist leadership. Above all, their theories tend to make Bolivia even more ungovernable.

6. Narco/Military Alliance. Narcotics traffickers have armed civilian groups to protect their coca/cocaine activities as well as intimidate opponents. They have used their funds to finance fascist youth groups, mostly in the Santa Cruz region, and abet nazi-like tendencies in the military. Up to now, and unlike Colombia, Bolivian traffickers have thrown in their lot with the right rather than left. A number of Bolivian officers seem tempted to restore the narco-military republic which preceded the Siles government but this is not a majority sentiment in the military. It could be if the United States rebuffs a military regime that overthrows Siles.

7. USSR. The USSR has been leaning hard on the Bolivians to acquire landing rights for Aeroflot. In this connection, the USSR reportedly offered Siles \$1 million cash and attractively priced passenger aircraft for the local airline, which is vital to transportation in mountainous Bolivia. The Soviets have also been at work--so far without success--to sell arms to the Bolivian military. The USSR is helping the Bolivian Communist Party in its efforts to take over the all-important Workers Central (COB). The Soviets offer funds and hundreds of scholarships to workers. (Soviet interests are further served well by Siles' Information Minister, Rueda Pena, who apparently is an East German agent of influence. (Bolivian TV is very anti-American.)

8. Cuba. Havana has an important Embassy in Bolivia. The Cubans are in touch and training a spectrum of Bolivian leftists. It is impossible to guess how many Bolivians have been trained in Cuba in years past. The number may be down for the moment, because the Siles government was burned by the revelation that it had consented to the clandestine training of Bolivians in Cuba. (See No. 1--Palace Radicals.) Castrismo as a model for governments and Castro's willingness to train Bolivians are major subversive influences in Bolivia.

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Countervailing Influences.

1. The Palace Technocrats. The Palace technocrats are men like Finance Minister Machicado and Foreign Minister Fernandez. They are nationalists, and central planners, who know what it will take for Bolivia to attract resources. These achievers are susceptible to U.S. influence and are the major moderating force within the Siles government.

2. Centrist Political Forces. With day and night capable of alliance in Bolivia, it is risky to think of the Bolivian political parties as democratic forces. Hugo Banzer's ADN Party is the major factor on the right; it commanded 30 percent of the vote in 1980. (It should be noted that state control of the economy rose from 60 percent to 75 percent under the Banzer Presidency, 1970-77, so the use of the term "right" is strictly within the Bolivian context.) A wing of Victor Paz Estenssoro's MNR Party (supposedly the major "center" party) is conservatively inclined (private enterprise/democracy). There are also communists allied to the Septuagenarian Paz who would ally with anyone to achieve power. Bolivia's Christian Democrats may be a force for moderation as well as some of the MIR (Movement of the Revolutionary Left). The latter appear to be developing a sense of responsibility as they grapple with the problems of governing. All these parties play with military alliances and often arm their followers, making it highly questionable whether any party in Bolivia merits a democratic label.

3. Professional Military. The majority of the Bolivian Armed Forces while not democratic is anti-communist. They remain a strong brake to communism. To govern, the military would require the support of one of the stronger political parties. At present, pressure for a military coup--and it is strong--appears to be coming from the frightened middle classes. U.S. opposition and the unmanageable nature of the Bolivian body politic and economy appear to be the major constraints on the military.

4. Private Sector. The private sector is reportedly well led (Fernando Illanes), well organized and anti-communist. While favoring democracy publicly, anxieties are high over strikes, inflation, and the rise of radicalism.

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5. Regionalism. Unlike the chaotic high plateau region of Bolivia, the lowland Santa Cruz region is highly regionalistic and independent (indeed separatist). Santa Cruz, with its paved streets and operating municipal services, contrasts sharply with La Paz. The private sector is strong and anti-communist.

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